

FUND 591

PUBLIC SCHOOL HEALTH AND FLEXIBLE BENEFITS

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2004 Advertised Budget Plan, as approved by the Board of Supervisors on April 28, 2003:

- ◆ The Board of Supervisors made no changes to the FY 2004 Advertised Budget Plan.

The following funding adjustments reflect all approved changes to the FY 2003 Revised Budget Plan from January 1, 2003 through April 21, 2003. Included are all adjustments made as part of the FY 2003 Third Quarter Review:

- ◆ The Board of Supervisors approved the School Board's *FY 2003 Third Quarter Budget Review* request to decrease expenditures by \$5,894,635 due to management action on health plan redesign combined with the effects of the calendar year 2003 open enrollment. Of the \$5.9 million a decrease of \$427,854 had already been incorporated in the *FY 2003 Revised Budget Plan* published in the FY 2004 Advertised Budget Plan. Contributions to the Health Fund are reduced by \$5.5 million.

County Executive Proposed FY 2004 Advertised Budget Plan

Purpose

The Health and Flexible Benefits Fund is a self-insurance fund that provides the administration for health care and a dental benefit plan for employees and retirees. In addition, the fund provides for the payment of eligible health care and dependent care expenses for employees participating in the flexible spending account program. FY 2004 expenditures are estimated at \$169,801,775.

It should be noted that the following fund statement reflects the FY 2004 Fairfax County Public Schools Superintendent's Proposed Budget. Adjustments to this fund, adopted by the Fairfax County School Board on February 13, 2003, will be discussed in the Overview Volume of the FY 2004 Advertised Budget Plan.

FUND 591

PUBLIC SCHOOL HEALTH AND FLEXIBLE BENEFITS

FUND STATEMENT

Fund Type G50, Internal Service Funds

Fund 591, Public School Health
and Flexible Benefits

	FY 2002 Actual ¹	FY 2003 Adopted Budget Plan	FY 2003 Revised Budget Plan ²	FY 2004 School Board Advertised ³	FY 2004 Adopted Budget Plan ³
Beginning Balance	\$8,279,428	\$4,464,235	\$8,958,466	\$11,085,119	\$11,085,119
Revenue:					
Employer/Employee Premiums	\$94,483,854	\$123,735,294	\$118,797,214	\$135,749,776	\$135,749,776
Retiree/Other Health Premiums	15,782,035	14,348,286	13,819,585	17,620,169	17,620,169
Aetna Stop-Loss Refund	939,172	0	0	0	0
Interest Income	337,477	560,000	560,000	560,000	560,000
Flexible Account Withholdings	3,903,593	3,833,233	3,833,233	4,446,550	4,446,550
Total Revenue	\$115,446,131	\$142,476,813	\$137,010,032	\$158,376,495	\$158,376,495
Transfers In:					
School Operating Fund (090)	\$268,906	\$293,242	\$293,242	\$340,161	\$340,161
Total Transfers In	\$268,906	\$293,242	\$293,242	\$340,161	\$340,161
Total Available	\$123,994,465	\$147,234,290	\$146,261,740	\$169,801,775	\$169,801,775
Expenditures:					
Health Benefits Paid	\$74,931,037	\$95,182,382	\$88,055,327	\$105,289,256	\$105,289,256
Premiums Paid	28,893,144	30,535,665	32,947,483	38,305,403	38,305,403
Health Administration Expenses	5,915,569	7,511,775	7,026,799	7,710,081	7,710,081
Flexible Accounts Reimbursements	3,735,886	3,769,883	3,245,721	4,259,968	4,259,968
FSA Administrative Expenses	98,802	116,594	95,498	121,506	121,506
IBNR	10,461,561	14,063,112	13,834,586	16,347,578	16,347,578
IBNR Prior Year Credit	(9,000,000)	(10,536,009)	(10,400,000)	(13,823,053)	(13,823,053)
Premium Stabilization ³	0	6,590,888	11,456,326	11,591,036	11,591,036
Total Expenditures	\$115,035,999	\$147,234,290	\$146,261,740	\$169,801,775	\$169,801,775
Total Disbursements	\$115,035,999	\$147,234,290	\$146,261,740	\$169,801,775	\$169,801,775
Ending Balance	\$8,958,466	\$0	\$0	\$0	\$0

¹ FY 2002 Actuals reflect audit adjustments included in the FY 2002 Comprehensive Annual Financial Report (CAFR).

² The FY 2003 Revised Budget Plan reflects adjustments adopted by the Fairfax County School Board on March 27, 2003, during their FY 2003 Third Quarter Review. The Fairfax County School Board adjustments were officially reflected in the County's FY 2003 Third Quarter Review, and approved by the Board of Supervisors on April 21, 2003.

³ The Premium Stabilization reserve is appropriated for budgeting purposes to offset any fluctuations in health insurance costs during the fiscal year. However, it should be noted that the reserve is assumed to be carried forward as beginning balance for FY 2004. A future adjustment will be made by the School Board to bring the FY 2004 Beginning Balance in line with the FY 2003 Premium Stabilization Reserve.